

REFERENCE TITLE: special district amendments

State of Arizona
House of Representatives
Forty-eighth Legislature
First Regular Session
2007

HB 2489

Introduced by
Representatives Mason, Brown, Tobin, Senator O'Halleran: Representatives
Hershberger, Konopnicki

AN ACT

AMENDING SECTIONS 48-263, 48-901, 48-906, 48-910, 48-957, 48-964, 48-1011, 48-1014, 48-1061 AND 48-2101, ARIZONA REVISED STATUTES; REPEALING SECTIONS 48-2102, 48-2103, 48-2104 AND 48-2105, ARIZONA REVISED STATUTES; AMENDING TITLE 48, CHAPTER 15, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING NEW SECTIONS 48-2102 AND 48-2103; AMENDING SECTION 48-2108, ARIZONA REVISED STATUTES; RELATING TO SPECIAL TAXING DISTRICTS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 48-263, Arizona Revised Statutes, is amended to
3 read:

4 48-263. Special taxing district impact statement; district
5 creation; district boundary change; bond requirement

6 A. Notwithstanding any other special taxing district organization or
7 boundary change requirements, a special taxing district impact statement is
8 required for each antinoxious weed district, pest control district,
9 recreation center district, special road district, ~~pest abatement district~~
10 and irrigation water delivery district, as follows:

11 1. In the case of a special taxing district formation proposal and
12 before the circulation of organization petitions otherwise required, the
13 special taxing district impact statement and hearing requirements pursuant to
14 section 48-261, subsection A, paragraphs 1 through 5 and subsections C, D and
15 E shall first be complied with.

16 2. In the case of a proposed special taxing district boundary change
17 to an existing district and before the circulation of any boundary change
18 petitions otherwise required, the boundary change impact statement and
19 hearing requirements pursuant to section 48-262, subsection A, paragraphs 1
20 through 5 and subsections E and G shall first be complied with.

21 B. The board of supervisors may require the person desiring to propose
22 creation of a special taxing district in subsection A of this section to post
23 a reasonable bond to be filed with the board, in accordance with section
24 48-261, subsection C.

25 Sec. 2. Section 48-901, Arizona Revised Statutes, is amended to read:

26 48-901. Definitions

27 ~~As used~~ In this article, unless the context otherwise requires:

28 1. "Assessment" or "assessment roll" means a special assessment made
29 under ~~the provisions of~~ this article.

30 2. "Block" means a parcel of ground, regular or irregular, bounded by
31 streets or by streets and district boundary lines.

32 3. "Chairman of the board" means the person designated to preside over
33 meetings of the board of directors.

34 4. "Clerk" or "district clerk" means the clerk of the board of
35 supervisors, who shall be the clerk under this article and in whose office
36 shall be filed all papers directed or required to be filed with the clerk.

37 5. "Commercial farming" means the intensive cultivation of arable land
38 by the raising of agricultural or horticultural products as a principal
39 source of the owner's livelihood.

40 6. "Commercial stock raising" means the breeding, raising and care of
41 domestic animals as a principal source of the owner's livelihood.

42 7. "Contractor" includes personal representatives or assignee of the
43 contractor.

44 8. "Delinquency" means delinquency in the payment of an assessment.

- 1 9. "Engineer" or "district engineer" means a person designated or
2 employed by the board of directors of a district to perform any or all of the
3 engineering work authorized to be done by the district under this article.
4 10. "Improvement bond" means a bond issued under ~~the provisions of~~ this
5 article.
6 11. "Lighting plants" includes electric light plants, electric power
7 plants, gas plants, distribution systems, poles, parts, pipes, conduits,
8 wires, tanks, reservoirs, generators for gas or electricity, transmission
9 lines, towers, lamps, transformers of every character, machinery, apparatus,
10 equipment and all appliances and structures necessary or incidental to the
11 construction, installation or operation of a complete electric light, power
12 and gas plant and distribution system placed on the streets improved, though
13 extended beyond.
14 12. "Lot" includes any portion, piece, parcel or subdivision of land,
15 but not property owned or controlled by any person as a railroad right of
16 way.
17 13. "Owner" means the person in whom legal title appears by recorded
18 deed, or the person in possession under claim or title, or the person
19 exercising acts of ownership for himself or as the personal representative of
20 the owner, including the boards of trustees of school districts and the
21 boards of education of high school districts owning property within the
22 proposed improvement district.
23 14. "Sewers" include wastewater treatment facilities, tunnels,
24 excavations, ditches, drains, conduits, channels, outlets, outfalls,
25 cesspools, manholes, catch basins, flush tanks, septic tanks, connecting
26 sewers of every character, machinery, apparatus, equipment and all appliances
27 and structures necessary or incidental to the construction, installation or
28 operation of a complete sewer system for either sanitary or drainage
29 purposes.
30 15. "Street" includes avenues, alleys, highways, lanes, crossings,
31 intersections, courts, places and grounds opened or dedicated to public use
32 and public ways.
33 16. "Street superintendent" or "superintendent" means a county employee
34 designated by the board of supervisors to perform the duties of street
35 superintendent for all the districts organized under this article in any
36 county.
37 17. "Time of delinquency" means the time when assessments become
38 delinquent.
39 18. "Treasurer" or "district treasurer" means the treasurer of the
40 county in which a district is situated, who shall be the treasurer of the
41 district.
42 19. "Unincorporated area" means any portion of a county not within the
43 limits of an incorporated city or town, so situated that any of the
44 improvements provided for in this article might reasonably or properly be
45 made or constructed for the benefit of the inhabitants of the area under

1 existing special assessment statutes if the area were situated within an
2 incorporated city or town.

3 20. "WASTEWATER SYSTEMS" MEANS SEWERS AND OTHER WASTEWATER TREATMENT
4 FACILITIES.

5 ~~20.~~ 21. "Waterworks" means works for the storage or development of
6 water for domestic uses, and includes wells, pumping machinery, power plants,
7 pipelines and all equipment necessary for the purpose.

8 ~~21.~~ 22. "Work" or "improvement" includes any of the improvements
9 mentioned and authorized to be made in this article, the construction,
10 reconstruction and repair of all or any portion of any such improvement, and
11 labor, services, expenses and material necessary or incidental thereto.

12 Sec. 3. Section 48-906, Arizona Revised Statutes, is amended to read:

13 48-906. Establishment of district; dismissal of proceedings;
14 costs; addition or elimination of certain areas

15 A. Upon the hearing, if it appears after consideration of all
16 objections that the petition is signed by the requisite number of owners of
17 real property, and that the public convenience, necessity or welfare will be
18 promoted by the establishment of the district, the board of supervisors by
19 formal order, ~~shall~~ declare its findings, establish the boundaries, ~~and~~
20 declare the improvement district organized under a corporate name by which it
21 shall be known in all proceedings. Thereafter the district shall be a body
22 corporate with the powers of a municipal corporation for the purposes of
23 carrying out ~~the provisions of~~ this article.

24 B. If the board finds that the territory set out in the petition
25 should not be incorporated into an improvement district, it shall dismiss the
26 proceedings and tax the costs against the signers of the petition, and may
27 collect the costs on the bond of the petitioners. If the district is
28 established, certified bills covering the costs of the board of supervisors
29 and the disbursements of the petitioners shall be presented to the board of
30 directors of the district and paid from the funds of the district.

31 C. If it appears to the board of supervisors at the hearing that
32 territory not included in the petition should be included within the
33 improvement district, the real property owners in the additional territory
34 shall be notified in like manner as provided in connection with the original
35 hearing, and a subsequent hearing shall be held on the question of including
36 the additional territory. In establishing the improvement district, the
37 board shall eliminate any territory described in the petition which it finds
38 will not be benefited by the establishment of the district.

39 D. Additions to and alterations of an improvement district shall be
40 made ~~in the manner provided for the establishment of the district.~~ AS
41 FOLLOWS:

42 1. A PETITION ADDRESSED TO THE DISTRICT GOVERNING BOARD REQUESTING THE
43 ADDITION OR ALTERATION MAY BE FILED WITH THE CLERK OF THE GOVERNING BODY, IF
44 SIGNED BY A MAJORITY OF THE PERSONS OWNING REAL PROPERTY OR BY THE OWNERS OF

1 FIFTY-ONE PER CENT OR MORE OF THE REAL PROPERTY WITHIN THE LIMITS OF THE
2 PROPOSED ADDITION OR ALTERATION.

3 2. A PETITION WITH THE REQUIRED NUMBER OF SIGNATURES SHALL NOT BE
4 DECLARED VOID ON ACCOUNT OF ANY ALLEGED DEFECT, BUT THE GOVERNING BODY SHALL
5 ALLOW THE PETITION TO BE AMENDED IN FORM AND SUBSTANCE TO CONFORM TO THE
6 REQUIREMENTS OF THIS ARTICLE. ONE OR MORE SIMILAR PETITIONS, OR COPIES OF
7 THE SAME PETITION WITH ADDITIONAL SIGNATURES, FOR THE ADDITION TO OR
8 ALTERATION OF THE IMPROVEMENT DISTRICT MAY BE FILED BEFORE THE TIME OF THE
9 HEARING ON THE FIRST PETITION, AND SHALL BE CONSIDERED AS THOUGH FILED WITH
10 THE FIRST PETITION. THE PETITION SHALL BE PRESUMED TO CONTAIN THE SIGNATURES
11 OF THE PERSONS WHOSE SIGNATURES APPEAR ON THE PETITION, UNLESS THE CONTRARY
12 IS PROVED.

13 3. THE PETITION SHALL SET FORTH:

14 (a) THE NAME OF THE IMPROVEMENT DISTRICT TO WHICH THE ADDITION OR
15 ALTERATION IS PROPOSED.

16 (b) THE NECESSITY FOR THE PROPOSED ADDITION OR ALTERATION.

17 (c) THAT THE PUBLIC CONVENIENCE, NECESSITY OR WELFARE WILL BE PROMOTED
18 BY THE ADDITION OR ALTERATION OF THE DISTRICT AND THAT THE PROPERTY TO BE
19 INCLUDED IN THE DISTRICT WILL BE BENEFITED.

20 (d) THE BOUNDARIES OF THE PROPOSED ADDITION OR ALTERATION.

21 4. EACH COPY OF THE PETITION SHALL BE VERIFIED BY ONE OF THE
22 PETITIONERS AND SHALL BE ACCOMPANIED BY A PLAT OR SKETCH INDICATING THE
23 APPROXIMATE AREA AND BOUNDARIES OF THE DISTRICT.

24 5. ON RECEIPT OF A PETITION FOR AN ADDITION OR ALTERATION OF A
25 DISTRICT, THE GOVERNING BODY SHALL SET A DATE FOR A HEARING ON THE PETITION
26 NOT LATER THAN FORTY DAYS AFTER PRESENTATION OF THE PETITION. AT THE HEARING
27 ALL INTERESTED PROPERTY OWNERS MAY APPEAR AND BE HEARD ON ANY MATTER RELATING
28 TO THE ADDITION TO OR ALTERATION OF THE DISTRICT. ANY PERSON WISHING TO
29 OBJECT TO THE ADDITION OR ALTERATION MAY FILE, BEFORE THE DATE SET FOR THE
30 HEARING, THE PERSON'S OBJECTIONS WITH THE CLERK OF THE GOVERNING BODY.

31 6. NOTICE ANNOUNCING THE HEARING AND STATING THE BOUNDARIES OF THE
32 PROPOSED ADDITION OR ALTERATION SHALL BE PUBLISHED TWICE IN A NEWSPAPER OF
33 GENERAL CIRCULATION IN THE COUNTY WITHIN WHICH THE DISTRICT IS LOCATED. THE
34 PUBLICATIONS SHALL BE ONE WEEK APART, AND THE FIRST PUBLICATION SHALL BE NOT
35 LESS THAN TEN DAYS BEFORE THE DATE OF THE HEARING. THE NOTICE SHALL ALSO BE
36 MAILED BY FIRST CLASS MAIL AT LEAST TWENTY DAYS BEFORE THE HEARING TO THE
37 OWNERS OF THE REAL PROPERTY WITHIN THE AREA OF THE PROPOSED ADDITION OR
38 ALTERATION ACCORDING TO THE NAMES AND ADDRESSES THAT APPEAR ON THE MOST
39 RECENT PROPERTY TAX ASSESSMENT ROLL.

40 7. AT THE HEARING, IF IT APPEARS AFTER CONSIDERATION OF ALL OBJECTIONS
41 THAT THE PETITION IS SIGNED BY THE REQUISITE NUMBER OF OWNERS OF REAL
42 PROPERTY, AND THAT THE PUBLIC CONVENIENCE, NECESSITY OR WELFARE WILL BE
43 PROMOTED BY THE ADDITION TO OR ALTERATION OF THE DISTRICT, THE GOVERNING BODY
44 BY FORMAL ORDER SHALL DECLARE ITS FINDINGS AND ORDER THE ADDITION TO OR
45 ALTERATION OF THE DISTRICT.

1 8. IF THE GOVERNING BOARD FINDS THAT THE PUBLIC CONVENIENCE, NECESSITY
2 OR WELFARE WILL NOT BE PROMOTED BY THE ADDITION TO OR ALTERATION OF THE
3 DISTRICT, THE GOVERNING BODY BY FORMAL ORDER SHALL DECLARE ITS FINDINGS.

4 E. NOTWITHSTANDING SUBSECTION D OF THIS SECTION, ANY PROPERTY OWNER
5 WHOSE LAND IS WITHIN A COUNTY THAT CONTAINS AN IMPROVEMENT DISTRICT AND WHOSE
6 LAND IS ADJACENT TO THE BOUNDARIES OF THE IMPROVEMENT DISTRICT MAY REQUEST IN
7 WRITING THAT THE GOVERNING BODY OF THE DISTRICT AMEND THE DISTRICT BOUNDARIES
8 TO INCLUDE THAT PROPERTY OWNER'S LAND. IF THE GOVERNING BODY DETERMINES THAT
9 THE INCLUSION OF THAT PROPERTY WILL BENEFIT THE DISTRICT AND THE PROPERTY
10 OWNER, THE BOUNDARY CHANGE MAY BE MADE BY ORDER OF THE GOVERNING BODY AND IS
11 FINAL ON THE RECORDING OF THE GOVERNING BODY'S ORDER THAT INCLUDES A LEGAL
12 DESCRIPTION OF THE PROPERTY THAT IS ADDED TO THE DISTRICT. A PETITION IS NOT
13 REQUIRED FOR AN AMENDMENT TO AN IMPROVEMENT DISTRICT'S BOUNDARIES MADE
14 PURSUANT TO THIS SUBSECTION.

15 F. ON APPROVAL OF ANY BOUNDARY CHANGE OF THE DISTRICT, THE DISTRICT
16 BOARD MAY ORDER THE SUCCESSFUL PETITIONERS OR REQUESTER TO PAY ALL OF THE
17 COSTS OF THE BOUNDARY CHANGE.

18 Sec. 4. Section 48-910, Arizona Revised Statutes, is amended to read:

19 48-910. Domestic water and domestic wastewater services;
20 authority to set fees; liens; foreclosure

21 A. The board of directors of a domestic water improvement district, ~~or~~
22 a domestic wastewater improvement district OR A COUNTY IMPROVEMENT DISTRICT
23 THAT PROVIDES OR IS ESTABLISHED FOR THE PURPOSE OF PROVIDING WATER OR
24 WASTEWATER SERVICES shall have the authority to set fees for the district
25 following a public hearing. Fees may include any of the following:

26 1. User fees that are proportionate shares of the cost of operation,
27 maintenance and replacement of a water delivery system, a water disposal
28 system or a wastewater treatment and disposal system or any combination of
29 those systems, including a system for the treatment and use of effluent, and
30 may include the cost of administrators, surveyors, sanitation experts,
31 engineers, legal counsel and other persons as are reasonably necessary for
32 the operation, maintenance and replacement of the systems. The fees may also
33 include any contractual amounts required to meet covenants relating to bonds
34 or other obligations of the district secured by a pledge of, or promise to
35 pay from, the district's fees.

36 2. Hookup fees for connection to the district water or wastewater
37 system, not including the cost of the actual physical connection.

38 3. Lateral fees for the cost of constructing a water or wastewater
39 lateral from the property line of the user to the middle of the easement or
40 right-of-way in which the water system or wastewater system is located.

41 4. For a domestic wastewater improvement district ~~only~~ OR A COUNTY
42 IMPROVEMENT DISTRICT THAT PROVIDES OR IS ESTABLISHED FOR THE PURPOSE OF
43 PROVIDING WASTEWATER SYSTEMS OR SERVICES, either of the following:

1 (a) A capacity fee based on the cost of developing the wastewater
2 collection, treatment and disposal facilities that are required to treat the
3 flows into the system from a particular wastewater connection.

4 (b) An availability fee that is charged on all property in the
5 district that is not connected to the existing wastewater treatment system
6 but that is adjacent to a wastewater line and that is based on the cost of
7 having the wastewater line and treatment facility capacity to accommodate
8 that property if it is developed. An availability fee is limited to fifty
9 per cent of the user fee.

10 B. Notice announcing the hearing shall be posted in not less than
11 three places within the district for not less than ten days ~~prior to~~ BEFORE
12 the date of the hearing and shall be published twice in a newspaper of
13 general circulation within the district. The newspaper publications shall be
14 not less than one week apart, and the first publication shall be not less
15 than ten days ~~prior to~~ BEFORE the date of the hearing. The district may also
16 mail notice of the hearing to all district customers. The notice may be
17 included in the district's regular billings and shall be mailed at least ten
18 days before the date of the hearing.

19 C. The board of supervisors shall be notified by mail of the hearing
20 not less than ten days ~~prior to~~ BEFORE the date of the hearing. The board of
21 supervisors may be represented at the hearing and may advise the board of
22 directors.

23 D. At the hearing all interested district property owners and
24 customers may appear and be heard on any matter relating to the establishment
25 of the proposed fees. Any person wishing to object to the establishment of
26 the proposed fees ~~may~~, before the date set for the hearing, MAY file
27 objections with the chairman or the clerk of the board of directors.

28 E. A domestic water improvement district, ~~or~~ domestic wastewater
29 improvement district OR A COUNTY IMPROVEMENT DISTRICT THAT PROVIDES OR IS
30 ESTABLISHED FOR THE PURPOSE OF PROVIDING WATER OR WASTEWATER SYSTEMS OR
31 SERVICES may file a lien on property for the nonpayment of user fees for
32 services provided to the property if the fees are delinquent for more than
33 ninety days. At least thirty days before filing the lien, the district shall
34 provide written notice to the owner of the property and shall include notice
35 of an opportunity for a hearing before a designated officer of the
36 district. The notice of lien shall be personally served on the property
37 owner or mailed by certified mail to the property owner's last known address
38 or to the address to which the most recent property tax assessment was
39 mailed. If the property owner does not reside on the property, the notice
40 shall be mailed by certified mail to the owner's last known address.

41 F. The unpaid user fees are a lien on the property from the date of
42 recording in the office of the county recorder in the county in which the
43 property is located until the fees and all costs are paid. The lien is
44 subject and inferior to the lien for general taxes and to all prior recorded
45 mortgages and encumbrances of record. A sale of the property to satisfy a

1 lien assessed pursuant to this section shall be made on a judgment of
2 foreclosure and order of sale. A domestic water or domestic wastewater
3 improvement district **OR A COUNTY IMPROVEMENT DISTRICT THAT PROVIDES OR IS**
4 **ESTABLISHED FOR THE PURPOSE OF PROVIDING WATER OR WASTEWATER SYSTEMS OR**
5 **SERVICES** may bring an action to foreclose the lien in the superior court in
6 the county in which the property is located any time after recording.
7 Failure to foreclose the lien does not affect its validity. The recorded
8 unpaid user fees are prima facie evidence of the truth of all matters recited
9 in the recording and of the regularity of all proceedings before the
10 recording.

11 G. Unpaid user fees pursuant to this section accrue interest at the
12 rate prescribed by section 44-1201.

13 H. The district shall add all costs incurred by the district,
14 including interest, attorney fees and costs in filing and enforcing the lien,
15 to the unpaid user fees, and the costs are a liability of the property owner
16 payable from the proceeds of the sale.

17 I. A prior assessment of unpaid user fees pursuant to this section
18 does not bar a subsequent assessment pursuant to this section, and any number
19 of liens on the same parcel of property may be enforced in the same action.

20 J. A district shall not file a lien for unpaid user fees against a
21 residential property that is occupied by a lessee and at which the lessee is
22 responsible for payment of the user fees. The district shall determine the
23 status of leased residential property before filing the lien.

24 Sec. 5. Section 48-957, Arizona Revised Statutes, is amended to read:

25 **48-957. Charges for services of county employees**

26 Supervision of construction work and clerical services performed by
27 county employees in connection with special assessment proceedings shall be
28 charged to the proceedings as incidental expenses. Services of the street
29 superintendent and other employees and costs of publication of notices and
30 other costs of collection of special assessments shall be ~~borne by the~~
31 ~~county, the additional county taxes collected by the county on the increased~~
32 ~~value of the lands in the district created by the improvement being deemed~~
33 ~~sufficient compensation to the county for such collection services~~ **ESTIMATED**
34 **BASED ON THE TERM OF THE BOND AND CHARGES TO THE PROCEEDINGS AS INCIDENTAL**
35 **EXPENSES.**

36 Sec. 6. Section 48-964, Arizona Revised Statutes, is amended to read:

37 **48-964. District revenues; payment for certain improvements**

38 A. Notwithstanding any other provision of this chapter, the board of
39 directors of an improvement district ~~formed for the purpose of purchasing or~~
40 ~~constructing a domestic water delivery system~~ may obligate, by resolution, by
41 contract or by inclusion in any bonds issued by the district, the revenues
42 generated by ~~the~~ **ANY DOMESTIC WATER OR DOMESTIC WASTEWATER** system **OF THE**
43 **DISTRICT** for such period as is necessary to:

1 1. Pay all maintenance and operating costs of the district, including
2 compensation as provided by section 48-1013 for an elected board of
3 directors.

4 2. Provide such reserves as deemed necessary by the board of
5 directors.

6 3. Pay all billing costs, office expenses and the cost of collection.

7 4. Purchase or improve the system or pay bonds or other contractual
8 obligations issued or incurred for that purpose.

9 B. Notwithstanding any other provision of this chapter, at the option
10 of the board of directors, revenues in excess of the requirements of
11 subsection A may be:

12 1. Applied to assessments due.

13 2. Refunded to the property owner.

14 C. An obligation of revenues by the district that is made pursuant to
15 this section is binding on all successors or assigns until the obligation is
16 fully satisfied.

17 Sec. 7. Section 48-1011, Arizona Revised Statutes, is amended to read:

18 48-1011. Definitions

19 In this article, unless the context otherwise requires:

20 1. "Clerk" means the person appointed by the board of directors to act
21 as the clerk for the district and to perform the duties otherwise prescribed
22 for a clerk pursuant to this chapter. The board shall establish and make
23 known an office and mailing address for the clerk.

24 2. "Domestic wastewater improvement district" means a county
25 improvement district that is ~~either~~ formed for the purpose of **CONSTRUCTING A**
26 **DOMESTIC WASTEWATER TREATMENT FACILITY OR** purchasing an existing domestic
27 wastewater treatment facility within the district and, if necessary, **MAKING**
28 improvements to the system or that is converted pursuant to section 48-1018.

29 3. "Domestic water improvement district" means a county improvement
30 district ~~which~~ **THAT** is ~~either~~ formed for the purpose of constructing or
31 improving a domestic water delivery system or purchasing an existing domestic
32 water delivery system and, if necessary, **MAKING** improvements to the system or
33 a district that is converted pursuant to section 48-1018.

34 4. "Superintendent" means the person employed by the board of
35 directors to perform the duties otherwise prescribed for a superintendent
36 pursuant to this chapter. The board shall establish and make known an office
37 and mailing address for the ~~clerk~~ **SUPERINTENDENT**.

38 Sec. 8. Section 48-1014, Arizona Revised Statutes, is amended to read:

39 48-1014. Powers and duties of an elected or appointed board of
40 directors

41 A. The board of directors of a domestic water improvement district or
42 domestic wastewater improvement district elected or appointed pursuant to
43 this article shall have all the powers and duties of the board of supervisors
44 sitting as the board of directors of a county improvement district formed for
45 the purposes prescribed in section 48-909, subsection A, paragraph 1, 2, 3,

1 4, 5 or 6, including the related powers and duties prescribed in section
2 48-909, subsection B and section 48-910, and that are not in conflict with
3 ~~the provisions of~~ this article. A SINGLE DISTRICT MAY BE FORMED FOR OR
4 CONVERTED TO A COMBINATION OF WATER AND WASTEWATER PURPOSES.

5 B. Additions to and alterations of the district shall be made ~~in the~~
6 ~~manner provided for the establishment of the district, except that~~
7 ~~notification shall be published in a newspaper of general circulation within~~
8 ~~the district, petitions shall be filed with the district board and all~~
9 ~~actions related to a proposed boundary change are the responsibility of the~~
10 ~~district board.~~ AS FOLLOWS:

11 1. A PETITION ADDRESSED TO THE DISTRICT GOVERNING BOARD REQUESTING THE
12 ADDITION OR ALTERATION MAY BE FILED WITH THE CLERK OF THE GOVERNING BODY, IF
13 SIGNED BY A MAJORITY OF THE PERSONS OWNING REAL PROPERTY OR BY THE OWNERS OF
14 FIFTY-ONE PER CENT OR MORE OF THE REAL PROPERTY WITHIN THE LIMITS OF THE
15 PROPOSED ADDITION OR ALTERATION.

16 2. A PETITION WITH THE REQUIRED NUMBER OF SIGNATURES SHALL NOT BE
17 DECLARED VOID ON ACCOUNT OF ANY ALLEGED DEFECT, BUT THE GOVERNING BODY SHALL
18 ALLOW THE PETITION TO BE AMENDED IN FORM AND SUBSTANCE TO CONFORM TO THE
19 REQUIREMENTS OF THIS ARTICLE. ONE OR MORE SIMILAR PETITIONS, OR COPIES OF
20 THE SAME PETITION WITH ADDITIONAL SIGNATURES, FOR THE ADDITION TO OR
21 ALTERATION OF THE IMPROVEMENT DISTRICT MAY BE FILED BEFORE THE TIME OF THE
22 HEARING ON THE FIRST PETITION, AND SHALL BE CONSIDERED AS THOUGH FILED WITH
23 THE FIRST PETITION. THE PETITION SHALL BE PRESUMED TO CONTAIN THE SIGNATURES
24 OF THE PERSONS WHOSE SIGNATURES APPEAR ON THE PETITION, UNLESS THE CONTRARY
25 IS PROVED.

26 3. THE PETITION SHALL SET FORTH:

27 (a) THE NAME OF THE IMPROVEMENT DISTRICT TO WHICH THE ADDITION OR
28 ALTERATION IS PROPOSED.

29 (b) THE NECESSITY FOR THE PROPOSED ADDITION OR ALTERATION.

30 (c) THAT THE PUBLIC CONVENIENCE, NECESSITY OR WELFARE WILL BE PROMOTED
31 BY THE ADDITION OR ALTERATION OF THE DISTRICT AND THAT THE PROPERTY TO BE
32 INCLUDED IN THE DISTRICT WILL BE BENEFITED.

33 (d) THE BOUNDARIES OF THE PROPOSED ADDITION OR ALTERATION.

34 4. EACH COPY OF THE PETITION SHALL BE VERIFIED BY ONE OF THE
35 PETITIONERS AND SHALL BE ACCOMPANIED BY A PLAT OR SKETCH INDICATING THE
36 APPROXIMATE AREA AND BOUNDARIES OF THE DISTRICT.

37 5. ON RECEIPT OF A PETITION FOR AN ADDITION OR ALTERATION OF A
38 DISTRICT, THE GOVERNING BODY SHALL SET A DATE FOR A HEARING ON THE PETITION
39 NOT LATER THAN FORTY DAYS AFTER PRESENTATION OF THE PETITION. AT THE HEARING
40 ALL INTERESTED PROPERTY OWNERS MAY APPEAR AND BE HEARD ON ANY MATTER RELATING
41 TO THE ADDITION TO OR ALTERATION OF THE DISTRICT. ANY PERSON WISHING TO
42 OBJECT TO THE ADDITION OR ALTERATION MAY FILE, BEFORE THE DATE SET FOR THE
43 HEARING, THE PERSON'S OBJECTIONS WITH THE CLERK OF THE GOVERNING BODY.

44 6. NOTICE ANNOUNCING THE HEARING AND STATING THE BOUNDARIES OF THE
45 PROPOSED ADDITION OR ALTERATION SHALL BE PUBLISHED TWICE IN A NEWSPAPER OF

1 GENERAL CIRCULATION IN THE COUNTY WITHIN WHICH THE DISTRICT IS LOCATED. THE
2 PUBLICATIONS SHALL BE ONE WEEK APART, AND THE FIRST PUBLICATION SHALL BE NOT
3 LESS THAN TEN DAYS BEFORE THE DATE OF THE HEARING. THE NOTICE SHALL ALSO BE
4 MAILED BY FIRST CLASS MAIL AT LEAST TWENTY DAYS BEFORE THE HEARING TO THE
5 OWNERS OF THE REAL PROPERTY WITHIN THE AREA OF THE PROPOSED ADDITION OR
6 ALTERATION ACCORDING TO THE NAMES AND ADDRESSES THAT APPEAR ON THE MOST
7 RECENT PROPERTY TAX ASSESSMENT ROLL.

8 7. AT THE HEARING, IF IT APPEARS AFTER CONSIDERATION OF ALL OBJECTIONS
9 THAT THE PETITION IS SIGNED BY THE REQUISITE NUMBER OF OWNERS OF REAL
10 PROPERTY, AND THAT THE PUBLIC CONVENIENCE, NECESSITY OR WELFARE WILL BE
11 PROMOTED BY THE ADDITION TO OR ALTERATION OF THE DISTRICT, THE GOVERNING BODY
12 BY FORMAL ORDER SHALL DECLARE ITS FINDINGS AND ORDER THE ADDITION TO OR
13 ALTERATION OF THE DISTRICT.

14 8. IF THE GOVERNING BOARD FINDS THAT THE PUBLIC CONVENIENCE, NECESSITY
15 OR WELFARE WILL NOT BE PROMOTED BY THE ADDITION TO OR ALTERATION OF THE
16 DISTRICT, THE GOVERNING BODY BY FORMAL ORDER SHALL DECLARE ITS FINDINGS.

17 C. NOTWITHSTANDING SUBSECTION B OF THIS SECTION, ANY PROPERTY OWNER
18 WHOSE LAND IS WITHIN A COUNTY THAT CONTAINS AN IMPROVEMENT DISTRICT AND WHOSE
19 LAND IS ADJACENT TO THE BOUNDARIES OF THE IMPROVEMENT DISTRICT MAY REQUEST IN
20 WRITING THAT THE GOVERNING BODY OF THE DISTRICT AMEND THE DISTRICT BOUNDARIES
21 TO INCLUDE THAT PROPERTY OWNER'S LAND. IF THE GOVERNING BODY DETERMINES THAT
22 THE INCLUSION OF THAT PROPERTY WILL BENEFIT THE DISTRICT AND THE PROPERTY
23 OWNER, THE BOUNDARY CHANGE MAY BE MADE BY ORDER OF THE GOVERNING BODY AND IS
24 FINAL ON THE RECORDING OF THE GOVERNING BODY'S ORDER THAT INCLUDES A LEGAL
25 DESCRIPTION OF THE PROPERTY THAT IS ADDED TO THE DISTRICT. A PETITION IS NOT
26 REQUIRED FOR AN AMENDMENT TO AN IMPROVEMENT DISTRICT'S BOUNDARIES MADE
27 PURSUANT TO THIS SUBSECTION.

28 ~~C. D. Notwithstanding section 48-906, subsection D,~~ On approval of
29 any boundary change of the district, the district board may order the
30 successful petitioners OR REQUESTERS to pay all of the costs of the boundary
31 change.

32 Sec. 9. Section 48-1061, Arizona Revised Statutes, is amended to read:
33 48-1061. Definitions

34 In this article, unless the context otherwise requires:

35 1. "Authorized purpose" includes any one or more of the following
36 purposes:

37 (a) The payment of district obligations.

38 (b) The cost of acquiring, constructing, reconstructing, equipping,
39 maintaining and repairing a waterworks OR WASTEWATER SYSTEM as defined in
40 section 48-901.

41 (c) The acquisition of real property for waterworks OR WASTEWATER
42 SYSTEM needs.

43 (d) The payment of bond related expenses.

44 2. "Bond related expenses" means any expenses incurred by the district
45 to issue and administer its bonds, including underwriting fees and costs,

1 trustee fees, financial consultant fees, printing and advertising costs,
2 fiscal agent fees, paying agent fees, registrar fees, transfer agent fees,
3 legal, accounting, feasibility consultant and other expert fees and expenses,
4 cost of credit enhancement fees, attorney and accounting fees and expenses
5 related to credit enhancement, bond insurance or liquidity enhancement,
6 remarketing fees, rating agency fees and costs, travel and telephone expenses
7 and all other fees deemed necessary by the board of directors in order to
8 market and administer the bonds.

9 3. "Bonds" means bonds of the district issued pursuant to this
10 article.

11 4. "District" means a county improvement district that operates or is
12 formed for the purpose of operating a domestic water delivery system ~~OR A~~
13 ~~WASTEWATER SYSTEM~~ within the district, whether or not the district is
14 governed in the manner described in article 4 of this chapter.

15 5. "REAL PROPERTY FOR WASTEWATER SYSTEM NEEDS" MEANS THOSE REAL
16 PROPERTIES AND ANY APPURTENANCES TO REAL PROPERTIES THAT ARE DESIGNATED OR
17 MAY BE DESIGNATED BY THE BOARD OF DIRECTORS AS A LOCATION FOR OR AS
18 APPROPRIATE TO THE CONSTRUCTION OF A WASTEWATER SYSTEM PROJECT, INCLUDING
19 LANDS, EASEMENTS, RIGHTS-OF-WAY AND OTHER INTERESTS IN LANDS, THE USE OR
20 OCCUPANCY OF WHICH IS NECESSARY OR APPROPRIATE TO CONSTRUCT, RECONSTRUCT,
21 REPAIR, MAINTAIN, EXTEND, DEVELOP, IMPROVE, USE OR OPERATE WASTEWATER
22 FACILITIES AND IMPROVEMENTS.

23 ~~5-~~ 6. "Real property for waterworks needs" means those real
24 properties, rights to surface ~~WATER~~ or ~~groundwaters~~ GROUNDWATER and any
25 appurtenances to real properties ~~which~~ THAT are designated or may be
26 designated by the board of directors as a location for or as appropriate to
27 the construction of a waterworks system project, including lands, easements,
28 rights-of-way and other interests in lands, the use or occupancy of which ~~are~~
29 IS necessary or appropriate to construct, reconstruct, repair, maintain,
30 extend, develop, improve, use or operate waterworks facilities and
31 improvements.

32 ~~6-~~ 7. "Revenues" includes any charge, income or receipt by the
33 district of money or any other thing of value except that revenues shall not
34 include monies paid to or for the account of the district for the levy of any
35 tax or assessment or the sale of any property by the district to satisfy or
36 pay any delinquent tax or assessment.

37 Sec. 10. Section 48-2101, Arizona Revised Statutes, is amended to
38 read:

39 48-2101. Definitions

40 In this chapter, unless the context otherwise requires:

41 1. "AGRICULTURAL LAND" MEANS PROPERTY THAT HAS A CURRENT AGRICULTURAL
42 USE DESIGNATION FROM THE COUNTY ASSESSOR.

43 ~~1-~~ 2. "Board" means a county board of supervisors.

44 ~~2-~~ 3. "Director" means one or all of the board of directors of a pest
45 abatement district established pursuant to this chapter.

1 ~~3-~~ 4. "District" means a pest abatement district established pursuant
2 to this chapter and includes the governing body of the district and all its
3 authorized personnel.

4 ~~4-~~ 5. "Landowner" means a person who owns land within the boundaries
5 of a proposed or existing district.

6 ~~5-~~ 6. "Pest" means any arthropods, rats and mice ~~which~~ THAT the
7 district determines to be a public nuisance to persons or property. ~~"Pest"~~
8 does not include arthropods which primarily attack agricultural crops.

9 Sec. 11. Repeal

10 Sections 48-2102, 48-2103, 48-2104 and 48-2105, Arizona Revised
11 Statutes, are repealed.

12 Sec. 12. Title 48, chapter 15, article 1, Arizona Revised Statutes, is
13 amended by adding new sections 48-2102 and 48-2103, to read:

14 48-2102. Petition to form district; contents of petition

15 A. ANY ONE OR MORE PERSONS INTENDING TO FORM A PEST ABATEMENT DISTRICT
16 SHALL COMPLY WITH SECTION 48-261. IN ADDITION TO THE REQUIREMENTS FOR AN
17 IMPACT STATEMENT PRESCRIBED IN SECTION 48-261, SUBSECTION A, AN IMPACT
18 STATEMENT FOR THE FORMATION OF A PEST ABATEMENT DISTRICT SHALL ALSO INCLUDE A
19 PLAN FOR PEST ABATEMENT, INCLUDING A LISTING OF ANY CHEMICALS TO BE USED AND
20 AN ESTIMATED APPLICATION SCHEDULE AND A CERTIFICATION FROM THE ARIZONA
21 DEPARTMENT OF AGRICULTURE AND THE COUNTY HEALTH OFFICER THAT STATES THAT THE
22 PEST SOUGHT TO BE PREVENTED, CONTROLLED OR ERADICATED HAS INVADED OR
23 THREATENS TO INVADE THE BOUNDARIES OF THE PROPOSED DISTRICT.

24 B. IN ADDITION TO THE REQUIREMENTS FOR A PETITION PRESCRIBED BY
25 SECTIONS 48-265 AND 48-266, THE PETITION FOR A PEST ABATEMENT DISTRICT SHALL
26 INCLUDE THE NAME OF THE PEST TO BE PREVENTED, CONTROLLED OR ERADICATED.

27 48-2103. Exclusion of agricultural land

28 THE BOUNDARIES OF A PROPOSED DISTRICT SHALL NOT INCLUDE AGRICULTURAL
29 LAND UNLESS THE OWNER OF THE LAND REQUESTS IN WRITING TO BE INCLUDED IN THE
30 DISTRICT, AND IN THAT INSTANCE, THE LANDOWNER'S PROPERTY SHALL BE INCLUDED IN
31 THE PROPOSED DISTRICT.

32 Sec. 13. Section 48-2108, Arizona Revised Statutes, is amended to
33 read:

34 48-2108. Powers and duties of directors; assessments

35 A. The directors shall hold an annual meeting and other meetings as
36 they may determine are necessary ~~from time to time~~. They shall make an
37 annual report pursuant to section 48-251 showing the receipts and
38 disbursements of all monies and property belonging to the district. They
39 shall prepare an annual budget of the proposed expenditures to be made during
40 the succeeding year. Any monies that may accrue to the district AND that are
41 in excess of the budgetary requirements for the succeeding year may be
42 invested by the directors in public bonds or deposited in a federal reserve
43 bank or other federally insured depository.

44 B. After the directors hold the first annual meeting, they shall mail
45 a consent form to each landowner in the district. The consent form shall

1 state that if the landowner signs the form and returns it to the directors
2 the form constitutes prior written consent to district entry onto the
3 landowner's property pursuant to section 48-2109. The district shall keep
4 the signed forms on file.

5 C. The directors may contract with any person or organization to
6 perform district functions on terms and conditions as they find advisable and
7 shall supervise the performance of all contracts.

8 D. The directors may expend district monies to employ personnel and
9 purchase equipment, supplies, services and all other things required to carry
10 out the intent and purpose of the district. The directors shall not expend
11 district monies for the purchase of real property without prior written
12 consent of the board. The directors may sell or lease any lands,
13 rights-of-way, easements, material or other property, real or personal,
14 acquired by the district.

15 E. The directors may assign such district business as they may
16 determine to a manager appointed by them and paid by the district. The
17 manager has such powers as the directors may authorize.

18 F. The directors shall annually set the assessment for each parcel of
19 land to be protected by the district and shall so notify the county assessor
20 before March 1 of each year.

21 G. The directors may ask for amendments to the district either adding
22 or removing pests from the list of those to be controlled or extending or
23 contracting the boundaries of the district. ~~The amendments shall be made
24 after an election conducted pursuant to sections 48-2104 and 48-2105.~~

25 H. The directors may contract and cooperate with agencies,
26 instrumentalities and departments of the state, THE county and the United
27 States interested in the control, extermination and eradication of the pest
28 sought to be controlled or eradicated and may act to secure financial
29 assistance from those agencies, instrumentalities and departments.